GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1778
ANSWERED ON:29.11.2002
IRREGULARITIES IN MMTC H
SUBODH ROY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the irregularities of over Rs.21 crores have been reported in 10 different cases including the inappropriate (joint ventur

(e) sale of import licences in the MMTC; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI RAJIV PRATAP RUDY)

(a)&(b) List of cases regarding irregularities in MMTC as mentioned in C&AG`s Report No. 3 of 2002 (Commercial) is as follows:

Sl.	Para	Para Title	Subject in brief
1	5.2.1	Loss of total investment in a joint venture	MMTC invested Rs.4.75 crore in a joint venture in violation of delegations of powers and lost whole value in the investment.
2	5.2.2	Loss due to delay in the sale of special import licences	Delay and faulty decision-making in the sale of special import licences by the Company resulted in a loss of Rs.3.24 crore.
3	5.2.3	Loss due to undue favour to private parties	Acceptance of post-dated cheques and extending unsecured credit to a private party resulted in avoidable loss of Rs.2.47 crore and non-verification of bank guarantees before acceptance thereof resulted in a loss of Rs.50.15 lakh to the Company.
4	5.2.4	Loss due to subletting of premises at the lower rates	Subletting of premises at rates lower than those indicated by the Govt. registered valuer resulted in short recovery of Rs.2.85 crore.
5	5.2.5	Loss due to lapses in amending and implementing an MOU to the benefit of a party	Amendments in MOU signed with a party for import of raw material and export of finished product coupled with lapses in custody of the imported raw material and lack of control in realisation of its export proceeds resulted in non-recovery of dues of Rs.2.72 crore from the party.

6	5.2.6 Loss due to improper procedures	Due to handing over of negotiable documents relating to import of Chilean copper wire bars by an official of the Company resulted in a loss of Rs.1.86 crore.	
7	5.2.7 Irregular expenditure on foreign tours	Failure of the company in regulating foreign travel claims in accordance with the instructions of the Department of Public Enterprises resulted in releasing irregular payment of Rs.1.08 crore to the officials during 1996-97 to 1999-2000.	
8	5.2.8 Loss due to procurement of tea for export	Acceptance of an order for export of tea and furnishing of performance bank guarantee to the importer without ensuring opening of letter of credit by the latter coupled with delay in disposal of the tea in domestic market on backing out by the importer resulted in loss of Rs.95 lakh.	
9	5.2.9 Undue benefit to a private company	Payment of barging charges to an agent for stevedoring, handling, clearing, forwarding and transporting of imported thermal coal from a port not requiring barging operations from the midstream resulted in undue financial benefit of Rs.63.62 lakh to the agent.	
10	5.2.10 Loss in financing import of an unproven product	Injudicious financing of import of new product on behalf of a customer without adjudging the market response and also without safe guarding the Company`s interest resulted in a loss of Rs.62.05 lakh to the Company.	